

**ARIZONA STATE PARKS BOARD
MARICOPA COUNTY DESERT OUTDOOR CENTER
LAKE PLEASANT REGIONAL PARK
41402 N. 87TH AVENUE, PEORIA, AZ
SEPTEMBER 21, 2006
MINUTES**

Board Members Present:

William C. Porter
William Cordasco
William Scalzo
Reese Woodling
Mark Winkleman (arrived at 9:05 a.m.)

Board Members Absent:

Elizabeth Stewart

Staff Present:

Kenneth E. Travous, Executive Director
Jay Ream, Assistant Director, Parks
Jay Ziemann, Assistant Director, Partnerships and External Affairs
Mark Siegwarth, Assistant Director, Administration
Cristie Statler, Executive Consultant
Debi Busser, Executive Secretary

Attorney General's Office

Joy Hernbrode, Assistant Attorney General

A. CALL TO ORDER

Chairman Porter called the meeting to Order at 9:00 a.m.

B. INTRODUCTIONS OF BOARD MEMBERS AND AGENCY STAFF

Arizona State Parks' (ASP) staff introduced themselves to the audience.

C. CONSENT AGENDA

- 1. Approve Minutes of July 19, 2006 State Parks Board Planning Meeting**
- 2. Approve Minutes of July 20, 2006 State Parks Board Meeting**
- 3. Request for Approval of Project End Date Extension for Florence Preservation Foundation Silver King/Florence Hotel Stabilization Historic Preservation Heritage Fund Project #640003** – Staff recommends approval of the requested time extension from November 27, 2006 to November 27, 2008. HPAC unanimously approved staff's recommendation at its June 26, 2006 meeting.
- 4. Request for Approval of Project End Date Extension for Center for Desert Archaeology – Coalescent Communities in Arizona Historic Preservation Heritage Fund Project #640307** – Staff recommends approval of the requested time extension from October 20, 2006 to October 20, 2007 and reallocation of

\$10,000 from acquisition to historic contest document preparation. HPAC unanimously approved staff's recommendation at its June 26, 2006 meeting.

5. **Request for Approval of Project End Date Extension for Phoenix Indian School Dining Hall City of Phoenix Historic Preservation Heritage Fund Project #640210** – Staff recommends approval of the requested one-year time extension from November 26, 2006 to November 26, 2007. HPAC unanimously approved staff's recommendation at its August 7, 2006 meeting.
6. **Request for Approval of Project End Date Extension for Historic Sites at District Park Marana Historic Preservation Heritage Fund Project #640208** – Staff recommends approval of the requested one-year time extension from December 4, 2006 to December 4, 2007.

Chairman Porter asked whether the other Board members felt they had adequate time to review the Minutes from the Planning Session in July. While he has reviewed them, he feels a need to go back over them again. There is so much information in them. He feels it's important for the future that they be as accurate as possible. They are completely accurate, but he believes some of the wording may need tweaking. He would like a little more time to do that and defer approval of these Minutes to the October Board meeting.

Board Action

Mr. Cordasco: I move that the Minutes of the July 19, 2006 Planning Session (C.1. on the Consent Agenda) be deferred to October. Mr. Woodling seconded the Motion and the Motion carried unanimously.

Mr. Scalzo: I move that the Board approve items C.2 through C.6 of the Consent Agenda. Mr. Woodling seconded the Motion and the Motion carried unanimously.

D. BOARD ACTION ITEMS

1. Summary of Staff Funding Recommendations for Competitive Grant Programs

Mr. Ziemann reported that Ms. Doris Pulsifer, Chief of Grants, has prepared a brief summary of the grant applications. A document was distributed to the Board prior to the meeting being called to Order. The first box contains the staff recommendations that take the reader down to the Board's Strategic Plan lines. The Board's Advisory Committees modified them to some degree. That is the bottom box where the most focus will be this morning.

Mr. Winkleman arrived at this point of the meeting.

Ms. Pulsifer noted that she didn't think she had ever given a presentation to the Board from such a beautiful location. She began her presentation by giving the Board a brief overview and then going on to the individual recommendations for each of the programs.

Ms. Pulsifer referred to the summary Mr. Ziemann referred to. The top portion contains the Staff Recommendations and then the Advisory Committees' Recommendations.

The first column names the program. The second column refers to the Eligible Applications. There were a total of 63 applications for all the programs. The Total Requested Grant Funds for all of the programs was more than \$20 million.

Ms. Pulsifer noted that the Grant Coordinators were present to answer any questions. She congratulated and commended them for a very good year of hard work. Many of the applications that came in this year scored very well and that is an indication of how the Grants staff did in working with the applicants.

- a. **Consider Staff Recommendations for Funding FY 2006 Local, Regional and State Parks Heritage Fund (LRSP) and FFY 2006 Land and Water Conservation Fund (LWCF) Grant Projects.** Staff recommends awarding \$3,773,593 to the first 6 projects as listed on the summary sheet. The Arizona Outdoor Recreation Coordinating Commission (AORCC) concurred with this recommendation at their August 10, 2006 meeting and further recommended funding the Town of Pinetop/Lakeside with the uncommitted LWCF balance of \$138,506.

Mr. Pulsifer referred to page 17 of the Board Packet. She reported that this program had a total of 27 applicants requesting more than \$10 million. The funding for this program comes from two sources: the Heritage Fund and a federal source for LWCF. The amount that comes from the AZ Lottery is \$3.5 million (35% of the \$10 million ASP receives if fully funded) and is made available for LRSP. Between those two funding sources, the total available for grants is a little more than \$3.9 million.

Ms. Pulsifer reported that the ASP policy states that no one entity can receive more than 20% of the available money in any fiscal year. This fiscal year of funding for this program limited any one entity to receive a maximum of \$782,000. One project (Coconino County for the Tuba City County Park) was affected by the cap. She referred to page 19 of the Board Packet and noted that it was the fifth project down. The recommended grant amount was reduced slightly in order to bring it down to the cap.

Ms. Pulsifer further reported that the ASP Strategic Plan provides that the allocation of LRSP grants go to high-priority projects. High-priority projects are defined as those that score at least 80 of 100 points in the rating criteria. That plan rests at 75% of the funded projects. All of the projects could have been funded, but because of the lack of funding or the amount of funding that is available, staff can only recommend the first 6 projects. This would leave a carry-over of \$138,506. The recommendation is to award the amount of \$3,773,593 to the first 6 projects. The first 5 (down to Coconino Co.) are recommended to be funded with LRSP funds. The 6th project (Bullhead City) is recommended to be split-funded using the remainder of available LRSP funds with the remaining portion of the project to be funded with LWCF funds. That would bring the balance of uncommitted funds to \$138,506.

Ms. Pulsifer added that Pinetop/Lakeside approached AORCC and requested that the \$138,506 be given to them. AORCC agreed to that request and staff concurred. The total recommendation is \$3,912,099. There will be no money left in this fund.

Chairman Porter stated that, as he has gotten used to this year after year, it is such a shame that the Board is in a position where there is a lack of full funding because a lot

of these other projects that will not receive funding are obviously very worthwhile, very appropriate, and a lot fell short by just a few points. It is unfortunate, but the Board has set standards and the only way to fairly allocate the money is to adhere to those standards.

Board Action

Mr. Scalzo: I move that the six (6) highest-rated FY/FFY 2006 grant projects be approved for funding in the manner described by staff at \$3,773,593 and that the Town of Pinetop-Lakeside be awarded the uncommitted LWCF balance of \$138,506 for a total of \$3,912,099 as shown on the list of funding recommendations and that the Executive Director or his designee is authorized to sign Participant Agreements.

Mr. Cordasco seconded the Motion. The Motion carried unanimously.

Chairman Porter noted that there were a couple of people who wanted to address the Board regarding the SLIF program, he moved to Agenda Item D.1.e

- e. Consider Staff Recommendations for Funding FY 2006 State Lake Improvement Fund Grant Projects** – Staff recommends that the 9 eligible projects (those recommended by staff with the exception of the Buckeye Lake Recreation Area, Phase I) be approved for funding, bringing the total approved funding amount to \$2,816,350 and that the Executive Director or his designee be authorized to execute the participant agreement.

Mr. Clifford Edey, La Paz County Board of Supervisors addressed the Board. He stated his purpose for attending this meeting is because of a project they submitted. He noted that the one area their grant application failed the most in was the area referencing to their growing smarter plan. The County is very new. They did not involve the public in this project. That cost them 20 points. They recognize that that is their fault. That does not diminish the importance of this project. For many years SLIF was closed down due to financial problems the State was suffering. One of the projects, Take-Off Point, is the only point their county has. They have been a partner with BLM for many years. They had an agreement with them that they would work on the parking area, ADA compliant ramps, and other facilities. BLM agreed to rebuild boat ramps. SLIF went away; however, BLM still did their part in rebuilding that boat ramp. That boat ramp now has quite a capacity; it is a nice facility. As a result, they now have inadequate parking. There is no way to onload and offload at that facility. All onload points on that lake are paid for. It is free because they made an agreement with BLM for their citizens to get to use the launch for free. Their citizens have their little boats to fish. Their economic situation is low. For them, a \$5 fee is a hardship for them. They have those agreements to maintain with BLM and want to continue their relationships with them. They have BLM's full support. He added that tourism is about 49% of their economy. That boat ramp is heavily used in the summer by Californians who bring a great deal of money to their economy. He asked for the Board's reconsideration of their project.

Mr. Woodling noted he had a hard time hearing Mr. Edey at the beginning and asked who Mr. Edey represents.

Mr. Edey responded he is on the La Paz County Board of Supervisors.

Chairman Porter added that the Board is having a hard time hearing and noted that the volume on the mike will be turned up.

Mr. Edey stated that he wants the Board to understand just how important this is. This project is not to get any boats but will bring in more California tourism. This is what they live off of. It is hoped that, with the expansion of the park and the ADA docks, the capacity can be doubled. That is critical to them. Even though they could not complete their part of the project, BLM still completed their work. He recognized that they failed to reference or accomplish the plan. That is their error. It cost them 20 points; however, he hoped the Board would see that does not diminish the value of this project.

Chairman Porter asked for feedback from staff.

Mr. Travous requested that the Board hear from the representative from Buckeye first and then he could give some feedback.

Mr. Ziemann noted that the projects Mr. Edey is referring to are on page 165 of the Board Packet.

Ms. Jeanine Guy, Town of Buckeye, addressed the Board. She stated her appreciation of the opportunity to come before the Board to discuss the Buckeye Lake project. When AORCC heard this project, they had several concerns and recommended not funding this project even though it was rated as a project recommended to be funded by staff. They would like the ASP Board to reconsider and take a look at the entire vision for the Buckeye Lake. The area where the lake will be located is adjacent to the Gila River. They plan on building this lake project in coordination with the El Rio Water Course Master Plan. The potential for this lake is a 200-300 acre lake project that will serve western Maricopa County. The Town of Buckeye's population alone is projected to be 1 million in 2025, and that does not include the other fast-growing cities in Maricopa County. Buckeye has shown a strong commitment for parks, recreation, and open space. They have tried in their planning efforts to be very forward thinking by acquiring open spaces prior to having a large urban population. They are acquiring 17 square miles of BLM land on the White Tank Mountains. They have an annexation request for 108 square miles just south of the Gila River that is BLM land and will be totally shown on their General Plan in this open space. They are embarking on a very comprehensive Rivers and Trails Plan this year in order to not only preserve the Gila River but also preserve the Hassayampa River.

Ms. Guy reported that Phase I of this grant request is for a 100-acre lake. It would include the 100 acres of Oda Omar boat ramp, parking for 28 vehicles, and some picnicking facilities.

Ms. Guy stated that AORCC came up with some very legitimate questions and concerns about the project. One of those concerns was water. She assured the Board that water in this area is absolutely no problem. It is in a flood plain. Their Lake Feasibility Study details the amount of pumping into the Gila River that they have to do now just to keep the land dry. Even with the amount of water that would go into the lake project, they will still be pumping excess water into the Gila River. Water is abundant in this area.

Ms. Guy stated that the second area of concern that was raised was cultural resources. They have two sites in that area that were identified in their Cultural Surveys Report – one is the Alabill area that was an area settled by migrant farm workers – African American individuals – and was flooded out. These individuals were relocated to another site in the Buckeye area. There will be some cultural resources that need to be mitigated in that area. They also have the Farmington Canal that is identified as a historical site.

Ms. Guy stated that after the AORCC meeting their consultant on this project went out and did another cultural study on where the actual Phase I of the lake will be. They did not identify any additional resources. The Town of Buckeye is certainly prepared to come up with a detailed mitigation plan for this area.

Ms. Guy stated that this grant proposal was for a little over \$4 million. They agree that it is very aggressive and a large commitment to ask the Board to make at one time. It would be a very aggressive timeframe for the Town of Buckeye to work under. They would like to request the Board to consider funding the Engineering and Design portion of the lake and the site preparation. During that engineering and design, they would be able to address AORCC's exact issues because they would know the design and construction and be able to come up with a complete mitigation plan. The major portion of this grant was for the actual mass excavation of the lake, which was a little more than \$2 million, as well as some land acquisition. If the Board chose to just fund the Engineering and Design and the site preparation, it would be a total of \$560,000. They feel that the design and construction would allow them to come forward in a future grant cycle with a detailed mitigation plan and assurances that all of the things needed to make this a successful grant project have been met. They also are partnering with some business in the area, which should help reduce the actual excavation costs as they move forward with the project.

Ms. Guy thanked the Board. She noted that Mr. Chuck Hebrey from URS is present to answer questions. He is the one who is working on the Feasibility Study. She would appreciate the Board's reconsideration of this process and know that they are committed to this project.

Mr. Woodling asked how much funding Ms. Guy is requesting instead of the \$4 million.

Ms. Guy responded the amount is \$560,000 for design and engineering and for some site preparation of the area.

Mr. Scalzo asked for a further explanation of where their water source is and the water levels for this lake.

Ms. Guy deferred to Mr. Hebry because he is the technical expert in this area.

Mr. Chuck Hebry stated that the area out there is water logged. Ground water will be the source of water for the lake. Currently, that water is being pumped out by several wells by Buckeye Water and Irrigation Conservation Area and discharged directly into the Gila River. They propose to pump out the water by the existing wells and divert it into the lake and then back into the Gila River. The only loss that the Gila River would

sustain would probably be 1%-2% by evaporation. It is a non-use of a low-quality existing groundwater supply.

Mr. Woodling noted that Ms. Guy mentioned the Hassayampa and the Gila River. Where they join is a major point for the Meridian of Arizona topographical maps. He asked if this lake would cover it up so it can no longer be used as a topographical reference point.

Ms. Guy responded that the lake project is east of that area where the Hassayampa and the Gila come together.

Mr. Travous addressed the Board. He reported that, by statute, he is a member of AORCC, along with the Game and Fish Commissioner. Sometimes the best laid plans of mice and men go awry. There are some quirks in this that the Board needs to be aware of. Something that staff thought they handled pretty well several years ago was coming up with guidelines that stated so many projects must be 75% or 80% of 80 points and half of them need to be more than that. The purpose was so that the Board would be assured that the money being spent was not being given away just because it was there. It has worked well for a long time. The quirk in what has happened in this instance where so many grants have to be above a certain line, is that the number of grants didn't meet that criteria which allowed staff to get down to the Buckeye project to begin with. He referred to page 141 of the Board Packet. He noted that the preponderance of the money being requested is below that line. We now have a situation where something that was below that line is the preponderance of the money the Board has available to award today. He believes that policy needs to be revisited.

Mr. Travous stated that the second thing, and Buckeye has been straightforward in bringing this to both AORCC and the Board is that in the waning moments of the legislature last year, they passed (based on the budget) something that said all SLIF money can only go on lakes where gas-powered boats are permitted. This issue was brought up at the AORCC meeting last summer because it was new and hadn't passed yet. The Board has to look at whether a lake that is being built is big enough to safely handle gas-powered boats. Taking that one step further, is the state in a position to fund a lake large enough to accommodate gas-powered boats on it? The thing the Board does not want to do is to start redesigning lakes to become available to gas-powered boats where otherwise it would not have. He believes the Board is in that position. All of a sudden the money the Board could have used from SLIF for Roper Lake State Park is not available to the Board because gas-powered boats are not allowed on the lake. The Board could get around that law by allowing gas-powered boats on that lake – which is really stretching the issue.

Chairman Porter asked to be reminded of the acreage at Roper Lake.

Mr. Travous responded it is 35 acres.

Mr. Ziemann added that gas-powered boats are not permitted on Fool Hollow, either.

Mr. Travous added that the discussion they had in AORCC was what the feasibility is of building this lake and getting involved in it with these new restrictions. Indeed, the large amount of money that is requested (almost \$5 million) is really only the first phase

of what they now anticipate to be a \$15 million project. There are other phases that cannot be committed to. There will be pressure in the future because the Board put this money forward. At some point in time the Board will have to ask themselves if this is good money after good money or good money after bad money.

Mr. Travous stated that, overall, there are enough issues out there yet that the Town of Buckeye has not addressed. Whether there's water there now is not the issue. It's whether there's water rights that will maintain the water in the lake when things change and people start drilling for housing. Lyman Lake is a good example. The lake gets drained and the boating is not there. Another issue is the ownership of the land. He's heard that it could be a 200-300 acre lake. He believes there are some water issues they need to address. Land ownership, water rights, the final size of the lake, and other issues need to be addressed before he would be comfortable recommending to the Board that they fund this project. He doesn't believe that they are in a position yet to do that. He understands their angst and concern that the money may go away. He doesn't know that they are still in a position for the Board to give them the engineering money because there are a lot of other issues to be addressed.

Mr. Travous stated suggested that, as a way to move this forward, \$500,000 plus be held in abeyance and set aside so they can do some more work on it (cultural resources, land ownership, and water rights) and let it become clearer that it is a feasible and suitable project. They could then come back to the Board for this money should it prove to be a feasible and suitable project.

Chairman Porter noted that they would not then have to go through another grant cycle for that money. He asked Mr. Travous to address the La Paz County grant request.

Mr. Travous stated that he had a discussion with Supervisor Edey. If the Board holds this money back and stays with the Strategic Plan, they have, in essence, removed the project from the docket and that allows the Board to go down one more project to meet the planning guide. He noted that the Supervisor stated it makes more sense to have the next project funded because they need the access more then they need the improvements. He reminded the Board that the Strategic Plan is a guideline and that the Board has the authority to approve both La Paz County projects for funding.

Chairman Porter asked if Mr. Travous was comfortable with the Board funding both.

Mr. Travous responded that he would be comfortable with the Board recommending both.

Chairman Porter opened the floor for questions.

Mr. Woodling noted that even funding the La Paz County projects leaves almost \$3.5 million available this year under the program.

Mr. Travous responded that, regardless of what the Board does, it still has to go back through the Joint Committee on Capital Review (JCCR). There are others who have designs on that money. He would not propose anything at this juncture at all. He believes that would be premature and would require some contemplation by the Board, AORCC, and staff as to what should be done, if anything, with that money.

Mr. Woodling asked if the Board loses that money.

Mr. Travous responded that the money is simply rolled over. He does not see any sweeping of SLIF by the legislature in this upcoming year.

Mr. Cordasco asked for a recap of what has been discussed.

Chairman Porter stated that, as he understands Mr. Travous' statements, his recommendation for the motion would lie on page 140 and, in effect, be to move approval of the 9 eligible projects recommended by staff with the exception of the Buckeye Lake Recreation Area Phase I and that \$560,000 be held in abeyance for engineering work on that project at a point when it is ready to be approved and that the Board further fund the two La Paz County park improvement projects that were below the line and were not recommended for approval.

Ms. Hernbrode stated that she is OK with the wording of the proposed motion, but is a little uncomfortable with the "hold in abeyance" concept. She was reviewing the statutes to see if she can find where that uncomfortableness is. It may be that it is in the Board's authority; she wants to double-check before the Board makes that motion and acts on it. She asked if the Board could split up the motion and give her more time to research the issue.

Board Action

Mr. Cordasco: I move that the nine (9) eligible projects (those recommended by staff with the exception of the Buckeye Lake Recreation Area Phase I) be approved for funding plus the two La Paz County projects for a total funding amount of \$3,205,750 and that the Executive Director or his designee be authorized to execute the participant agreements.

Mr. Scalzo seconded the Motion.

Mr. Woodling noted that, in looking at the ratings, 80 points is for high-priority projects. He asked if there are any guidelines to projects falling below that. He noted that La Paz falls below that and asked if they will have to resubmit their application to qualify.

Mr. Travous noted that that line does not disqualify them. It merely states that out of 100 points available their application only got that many points. The Board passed a policy that they wanted half of the number of funded projects above 80 points to ensure that only projects were not just funded because there is money available. It is below that line, but still eligible for funding.

Mr. Woodling asked why, at the beginning, weren't they recommended for funding – was it because the money wasn't available.

Mr. Travous responded that the money was available; it was just that they were below that line where the Board's funding guidelines took us. The Board is, essentially, stretching that line below what the guidelines have been.

Chairman Porter noted that he loves the Buckeye project and that he believes it is a marvelous thing they're doing, but asked if there is a problem with that legislative fiat

that SLIF funds cannot be used on any lake that doesn't have gas powered boating available.

Mr. Travous responded that the Board is asking them to go back, sit down, and think it through. If it is a 300-acre lake, then what is the carrying capacity? If they have the water rights, and if they have the land, then the carrying capacity becomes the question.

Chairman Porter asked if that is the point where they would come back and request the Board release that \$560,000.

Mr. Travous responded affirmatively. He added that he believes it is appropriate for the Board to go back and try to get that policy changed. He does not believe it's fair to small communities with small water lakes.

Chairman Porter noted that Ms. Stewart sent an E-mail in this morning on this issue asking that it be read into the record. He stated he would do so and ask that the Board take it into account. He believes that the Board's Action takes her concerns into account. He read Ms. Stewart's comments as follows:

"The Board's decision on the SLIF grants raises two issues regarding the integrity and fairness of the grants process.

1. AORCC'S recommendation to deny funding for Buckeye Lake does not appear to be based entirely on Arizona State Parks' current grant criteria and guidelines. ASP grants staff found that Buckeye's application met the criteria adopted by the Board and that the application scored high enough to be awarded a grant under the Board's guidelines. AORCC did not find that staff's determination of eligibility or scoring was in error. Instead, AORCC raised five chief concerns that are beyond or in addition to our current criteria.

First concern, the cost of the project. AORCC and ASP specifically excluded new lake projects from the 20% cap and declined to impose a cap. Second concern, the relative size of the lake. Buckeye Lake meets the minimums now required of 100 acres; there is no ratio or additional requirement in our criteria. Third concern, the ability of a small lake to allow for gas-powered boats."

Chairman Porter stated that, in reading through those lines, he assumes that Ms. Stewart is sort of endorsing the Board's action. He noted that, for the record, staff have at least tweaked the specific wording – not including the \$560,000. He re-read the Motion:

I move that the nine (9) eligible projects (those recommended by staff with the exception of the Buckeye Lake Recreation Area Phase I) be approved for funding plus two La Paz County projects for a total funding amount of \$3,205,750 and that the Executive Director or his designee be authorized to execute the participant agreements. That is the motion that was made and seconded and is now before the Board

Mr. Winkleman asked how often AORCC meets.

Mr. Travous responded that they meet almost every month.

Mr. Winkleman noted that AORCC had a handful of issues that were of concern, three of which they addressed briefly today. The funding request has been reduced substantially, as well as the scope. He asked if, essentially, staff are suggesting deferring the action that would have otherwise been taken to a later date to see if it can be endorsed or not.

Mr. Travous responded that AORCC did not recommend funding this project. Since the AORCC meeting Buckeye came back to the Board, who is the executor of the fund, with a reduced grant request amount. He would put another caveat on it that before the Board goes to that extent of setting that money aside they come back and address those issues that are still not clear. There are still issues as to whether or not the project is feasible.

Mr. Winkleman asked if there is no way to reconsider it at a later time if the Board does not set the money aside during this grant cycle.

Chairman Porter responded that he believed that to be correct. If the Board does not set that money aside for Buckeye, he believes they would have to come back in the next grant cycle.

Mr. Winkleman responded that the Board, then, is trying to reserve it for a later date to see if they really want to fund that project.

Chairman Porter called for a vote on the Motion on the Floor. The motion carried unanimously.

Chairman Porter stated the Board's appreciation of Buckeye's concern. He is happy the Board could accommodate La Paz County's issues and will try very hard to find a legal way to earmark \$560,000 for Buckeye to where it could still be on the table. He stated that the Board appreciates all of their effort.

Ms. Guy asked, if that is the Board's decision, who makes the decision of whether they met the criteria to spend the \$560,000.

Chairman Porter responded that the Board would ultimately make the decision after input from AORCC, staff, and Mr. Travous. This Board will make the ultimate decision. It will be on an Agenda and the Town of Buckeye would know about it.

- b. Consider Staff Recommendations for Funding FY 2006 1st Cycle Historic Preservation Heritage Fund Grant Projects.** Staff recommends awarding \$884,533 to the 12 highest-rated grant projects listed on the summary list. At their August 7, 2006 meeting, the Historic Preservation Advisory Committee (HPAC) voted to approve the staff recommendation. HPAC further moved to approve the set-aside funding to Arizona State Parks Development for \$150,000 and to the State Historic Preservation Office for \$100,000.

Ms. Pulsifer referred the Board to page 74 of the Board Packet. She reported 12 applicants requested \$901,117 for the first cycle of 2006. This program receives 17% of the Heritage Fund revenue for historic preservation partners. This amounts to \$1.7 million available. In May 1999 the Board approved an annual set-aside of \$150,000 for

ASP's Development Section and an annual set-aside of \$100,000 for SHPO projects that meet the identifying guidelines. There are two cycles in the Historic Preservation program. In the first cycle 2/3 of the total funding is made available to applicants. In the first cycle of 2006, the amount available is \$1,049,959. This amount includes the deduction of the set-asides and the inclusion of whatever balance was left from the last grant cycle. The Strategic Plan says that 70% of Historic Preservation funded projects be high-priority projects. Page 76 of the Board Packet lists the 12 eligible projects. Ten of those projects scored 80 points or above. The staff recommendation is to fund all 12 grant requests for a total of \$884,533 and the \$150,000 ASP Development funding and the \$100,000 SHPO set-aside also be approved for funding. There will be a carryover for the second cycle of \$690,405.

Board Action

Mr. Woodling: I move that all 12 of the 2006 1st cycle Historic Preservation Heritage Fund grant applicants be approved for funding in the amount of \$884,533 and that the \$150,000 for the State Parks Development section set-aside and the \$100,000 for the SHPO set-aside also be approved for funding.

Mr. Winkleman seconded the Motion. The Motion carried unanimously.

Chairman Porter called for a Recess at 10:00 a.m.

Chairman Porter reconvened the meeting at 10:15 a.m.

Chairman Porter returned to the SLIF grant request for the Town of Buckeye.

Mr. Travous noted that attorneys are uncomfortable with gray – they like things to be black or white. That was the issue with this grant. Ms. Hernbrode is more comfortable, from an attorney's point of view, to either give a grant or not give a grant. He still has the concerns of land ownership, water rights, and the archeological clearance. He recommends, rather than the abeyance, that the Board approve the \$560,000 with the understanding that it will be used to assure they have the water rights, that they have all the archeological clearance they need, and that they own the land on which they want to put this lake. Those are the three things he believes will give staff the comfort level they need to see whether or not the Board should move forward on this.

Mr. Woodling asked if Mr. Travous' recommendation is approved it means the Board is committed to further grant money to this project in the future.

Mr. Travous responded that it gives the Board a much better foundation that the lake is a viable project.

Board Action

Mr. Cordasco: I move that the Board approve a grant to Buckeye in the amount of \$560,000 provided they first use the money to clear up land ownership issues, confirm that they have water rights adequate to fill and maintain the lake, and obtain necessary archaeological clearances. If moneys are left over, they may then use the grant funds to accomplish the other goals (engineering elements) of the project.

Mr. Scalzo seconded the Motion. The Motion carried unanimously.

Ms. Guy thanked the Board for their action.

- c. **Consider Funding FY 2006 Trails Heritage Fund Grant Projects.** Staff recommends awarding \$579,315 to the 8 eligible projects on the summary list. AORCC unanimously concurred with the staff recommendation at their August 10, 2006 meeting.

Ms. Pulsifer reported that there were a total of eight applications requesting a total of \$585,952. She stated that this money is also funded by the Heritage Fund, 5% of which goes to this program. She noted that 95% is allocated to public grants and 5% is allocated to trails in the State Parks system. A total of \$634,748 (after deducting the set-aside and adding in the uncommitted balance carried over) is available for this grant cycle. This grant program states that no one entity may receive more than 20% of the available money in any one fiscal year. For 2006 that limited any one entity to receiving a maximum of \$126,949. One application requested an amount above the cap; it was reduced to meet the cap. It would have been reduced anyway because it included ineligible scope items – the Hassayampa Field Office. The applications are listed on page 112 of the Board Packet.

Ms. Pulsifer added that, in addition, the City of Scottsdale requested AORCC at their meeting in August that their grant amount in the amount of \$107,000 be increased to meet the cap of \$126,949. AORCC agreed to do that. The total recommended grant awards is \$579,315 leaving an uncommitted balance of \$55,433.

Board Action

Mr. Winkleman: I move that the eight (8) eligible projects be approved for funding and that the City of Scottsdale's grant request be amended to meet the 20% cap at \$236,949 bringing the total approved funding amount to \$579,315 and that the Executive Director or his designee be authorized to execute the Participant Agreements.

Mr. Woodling seconded the Motion and the Motion carried unanimously.

- d. **Consider Funding the FY 2006 Recreational Trails Program (Motorized Portion) Grant Projects.** Staff recommends awarding \$568,332 to the 4 eligible applications. This recommendation is contingent upon all projects completing the Section 106 requirements and obtaining National Environment Policy Act (NEPA) concurrence from the Federal Highway Administration. The Off-Highway Vehicle Advisory Group (OHVAG) unanimously concurred with the staff recommendation on June 23, 2006.

Ms. Pulsifer reported that this is a federal program. The available funding for this program is from 2005-2006 revenue. The total available revenue is \$1,110,482. No one entity in this program can receive more than 40% of the available funds. None of the applicants were affected by that cap. The recommended funding consists of the total revenue available of \$1,110,482. The total amount recommended is \$568,332 for the four grant requests.

Mr. Woodling asked if only four entities applied for these grants or if there were some who did not make the cut-off.

Ms. Pulsifer responded that there were only four applicants for this grant program.

Board Action

Mr. Scalzo: I move that the Recreational Trails Program (Motorized Portion) funding be approved for the four applications at \$568,332 contingent upon all projects completing the Section 106 requirements and obtaining NEPA concurrence from the Federal Highway Administration, and that the Executive Director or his designee be authorized to execute the Participant Agreement.

Mr. Cordasco seconded the Motion and the Motion carried unanimously.

Chairman Porter noted his surprise at how quickly the Board was able to complete the awarding of grants. He stated that the Board is really impressed and appreciative. Last year the Board asked staff to handle issues or discrepancies as much as possible prior to this meeting. Staff did a marvelous job.

Mr. Travous stated he would defer to the Grants staff and AORCC. They work very hard on this process.

Mr. Cordasco thanked staff and AORCC. The remaining Board members echoed these comments and applauded staff.

Chairman Porter noted that, because this process went so quickly, it appears the Board meeting will adjourn much earlier than anticipated and that the Board would be able to enjoy a leisurely lunch and go home.

Mr. Woodling requested that the Board get a tour of the facility.

Mr. Scalzo responded that his staff would be happy to do so after lunch.

2. Approval of MOU with AZ State Historical Society – Staff recommends the Board approve the MOU with the AZ State Historical Society.

Chairman Porter noted that Ms. Hernbrode has reviewed the proposed MOU and has noted that there is mandatory language that needs to be inserted into the MOU.

Ms. Hernbrode noted that the clauses are all mandatory and that the Chairman only need to refer to them and she would ensure they are included.

Chairman Porter stated the language would read as follows. The parties agree to comply with Chapter 9 Title 41 A.R.S – Civil Rights, AZ Executive Order 75-5 and 99-4 of the state laws relating to Equal Opportunity and Nondiscrimination. Further, this agreement is subject to cancellation by the state under A.R.S. Section 38-501 with any persons significantly involved in the agreement on behalf of the state as an employee or consultant of the contract or at any time of the agreement or any extension of the agreement is in effect.

Chairman Porter noted that before anyone else points out what he already pointed out to Ms. Hernbrode that this is sort of absurd since both parties are governmental entities. She pointed out that a violation of this would occur if Mr. Travous were working under the table or even openly on behalf of the AZ Historical Society.

Chairman Porter continued on with the mandatory language as follows:

This agreement shall be subject to available funding and nothing in this agreement shall bind the state to expenditures in excess of funds appropriated in the law for purposes outlined in this agreement.

Chairman Porter explained that there is no funding called for in this MOU.

Chairman Porter continued on with the mandatory language as follows:

To the extent required by A.R.S. Sections 12-1518(B) and 12-133 the parties agree to resolve any dispute arising out of this agreement by arbitration.

Chairman Porter then opened the Floor to discussion. He noted that the AZ Historical Society is going to meet, ironically, in Yuma next week. This will be on their agenda for their approval. It has been presented to them previously and their Board is very enthusiastic about it. He envisions no problems with them passing it at all.

Chairman Porter noted that he said, "ironically, in Yuma" because that's where this Board first took up this issue a year ago. It started in an ASP Board meeting in Yuma and will end with the AHS meeting in Yuma.

Board Action

Mr. Scalzo: I move that the Board approve the proposed MOU with the additional language that was read.

Mr. Woodling seconded the Motion and the Motion carried unanimously.

- 3. Approval of Proposed Rules as Final** – Staff recommends that the Board approve the Proposed Rules provided herein as final.

Board Action

Mr. Scalzo: I move that the Board approve the Proposed Rules as final and direct Staff to file the Final Rules with the Governor's Regulatory Review Council.

Mr. Cordasco seconded the Motion and the Motion carried unanimously.

E. EXECUTIVE STAFF UPDATES

1. Update on the Status of the Arizona State Parks Foundation

Mr. Travous reported that the Attorney General's Office was asked to determine whether he can serve on their board in an ex officio capacity. It will be placed on the Agenda for the next Board meeting.

2. Contact Point

Mr. Ream reported that Contact Point is located between the Board's property at Windsor and Cattail Cove State Park. The City of Lake Havasu and other entities in and around Lake Havasu have requested the Board to work on developing a park there to relieve some of the pressure on the lake, particularly at Windsor Beach where traffic becomes clogged up and down the lake.

Mr. Ream stated he gave a briefing in July. Since July, he has made calls to the Chemehuevi Tribe. He hopes to meet with their Tribal Leader, Chuck Wood, to discuss the Tribe's interest on Contact Point next week when he's in Lake Havasu for meetings with NAU.

Mr. Ream reported that he met with ADOT in August. ADOT is permitted by statute to supply ASP with \$5 million a year in roadside and road improvements inside AZ's state parks. ASP is currently funded only at \$2 million per year. He is working with a group of their staff to approach the ADOT Commissioners to increase that funding in 2008 up to the \$5 million per year allotted to us. Certainly, \$2 million doesn't buy a lot of roads like it used to and \$5 million is still not a large amount considering the size of the ADOT budget.

Mr. Ream reported that, after the July meeting, staff received some phone calls from a prestigious engineering firm who wanted to meet with staff to discuss this project. They came in and provided a presentation on their firm and its capabilities. They offered some suggestions for moving this project forward. Staff were very pleased that this project is getting such a reputation to draw the interest of a firm like this.

Mr. Ream reported that BLM released their Draft Management Plan in September. He tried to download it, but it was too large. It is the entire Lake Havasu Region Management Plan. We have 90 days to comment on the draft. Then they will review all comments and incorporate them into another plan and release it again with a 60-day comment period. The finalized Resource Management Plan should be released by next September if all goes well. This is important because the agency's access to Contact Point is through Section 24, which is BLM land. It is currently, according to them, eligible for disposal. That means we could pick it up under R&PP lease or purchase. Northern AZ University and the Lake Havasu University Foundation are also desirous of that 320 acres to establish a university there. He will meet with the Mayor and the foundation on Tuesday at 5:00 p.m. to discuss how we will all work together on Section 24. In the meantime, of the \$2 million allowed by ADOT for FY 2008, between \$500,000 and \$800,000 has been allocated to begin design and studies on the road system that needs to be created for access and use at Contact Point. Construction money would come around the following year.

Mr. Ream reported that on September 26 he hopes to meet with face-to-face with the Chairman of the Chemehuevi Tribe.

Mr. Scalzo noted that if staff are going to look at the BLM land, their best bet is partner with the community, college, and others and buy that land; otherwise the restrictions that the BLM will place on the use and access of it are, at best, ridiculous. We won't be able to use any private funds, bring in any partners, etc. The best world is to own that land in partnership with the college and city and others. He says this from decades of experience in dealing with the BLM.

Chairman Porter noted that he and Mr. Ream are going to the Lake Havasu City Council for a special meeting they are holding prior to their regular meeting at 7:00 p.m. He noted that Ms. Susan Youngdahl from the Havasu Foundation for Higher Education is present. He asked if she wished to address the Board.

Ms. Youndahl, Executive Director, Havasu Foundation for Higher Education addressed the Board. She stated that she agreed with Mr. Scalzo. She believes all parties are in sync on that. They are very happy that Chairman Porter and Mr. Ream are coming on the 26th to meet with the Council. They hope to set up a task force to move this project forward, bringing in all of the partners in the project. There will be representatives from NAU and the City present. There are various interests around the city who have different interests who have been supporting this project for the last two years who will also attend. She believes it will be a very good meeting. She believes it will be very productive and help everyone to take advantage of this unique opportunity to combine education, recreation, and conservation. They are very excited to be working with ASP on this project.

3. San Bernardino Ranch Acquisition

Mr. Travous reported that the San Bernardino Ranch has come up as an opportunity and a challenge. The property is currently owned by a foundation and has been restored beautifully. Staff are trying to determine what the agency can bring to preserve its historic aspects and to ensure that the museum is open to the public in some fashion. He looked at several aspects in order to bring back options to the Board. He felt the options were drying up. One of the things he looked at was the possibility of the ASP Foundation holding it until such time as the agency could be involved in it. They want to help in the future, but are not in a position, as the agency is not, to take ownership of this property right now.

Mr. Travous reported that he met with Mr. Bill Radke, the Manager of the U.S. Fish and Wildlife Service Preserve down there. They discussed his plans for the preserve and the Board's desires. The long and short of it is that we both understood each other's needs. They are looking for a way that sometime in the future we could partner up. After their meeting a Memorandum of Understanding (MOU) was drafted that said we are desirous of a partnership when ASP is able to come into it. That is the best he can give to the Board.

Mr. Travous reported that Mr. Radke told him that he has the approvals he needs to move forward. The ball is really in Mr. Harvey Finks' court right now. They are anxious to move forward.

Chairman Porter stated his appreciation of the speed with which Mr. Travous moved on this issue. Mr. Travous and he met with Mr. Finks in early August for a fair amount of time. Mr. Finks was very forthcoming and presented a tremendous amount of records, materials, and background that he could put together relating to that property. Board's counsel has reviewed that information. In the meantime, the ASP Foundation met and gave this issue a lot of reasoned discussion. He received a very nice, lengthy letter from their chairman explaining where they are and indicating that they have a very strong interest in seeing this go forward. They would like to see the Board involved out there. They would also like to play a role, but they feel they are not in a position to take ownership.

Chairman Porter stated that, with that in mind, Mr. Finks invited him to meet yesterday. They met for about three hours. He is very open, even enthusiastic, about the concept

of going ahead and giving the property itself to the Fish and Wildlife Service; but made it very clear that it would be conditioned (with reversionary clauses included in the paperwork) on them negotiating a joint management agreement for this to be a State Park with ASP.

Chairman Porter noted that he was as blunt as he could be that he felt before this Board would agree to anything, Mr. Finks would have to come up with some money. His foundation will have to make a substantial gift to the Board's foundation or whatever other entity he was comfortable with, specifically earmarked to cover operations at that park for at least a two- to three-year period. Mr. Finks did not blink an eye and indicated that, in fact, his foundation has substantial assets. All of them are not, obviously, available to be earmarked to this, but his whole interest is to continue to operate this museum. He likes ASP and is very happy with ASP. He feels this is the entity he would like to see carry it on.

Chairman Porter added that he believes that from the conversation Mr. Travous had with Mr. Radke, when asked if he would be amenable to a partnership with ASP his response was, "Why in the world would I not be?" or some variation of those words. Mr. Finks has a very high regard for Mr. Radke; he does not have a particularly similar regard for any governmental agency – especially the federal government. He has a high regard for Mr. Radke himself and considers him a very honorable gentleman.

Chairman Porter stated the subject of a headquarters for the Malpai Borderlands Group being established there was raised and Mr. Finks has no heartburn with that. The way the dominoes will probably fall is that Mr. Finks would turn the property over to Fish and Wildlife; there would be negotiations with ASP that would include the Malpai Group, and in those negotiations there would hopefully be the ability to have their headquarters building serve some of the dual purposes previously discussed.

Chairman Porter stated that he has to congratulate Mr. Travous on the way he has approached this. He confessed that in the beginning he was somewhat alarmed at the idea of the property going under Fish and Wildlife, but he has quickly come to the conclusion that it is appropriate. They already are programmed and budgeted to staff a new park. They have the necessary people; they have the budget for maintenance and repairs, taking all of that off the Board's backs. With the assistance of Fish and Wildlife, we will presumably have additional staffing on hand to help with such things as gift shop and some of the administrative duties. That would greatly reduce the potential of what the Board would pay for. However, there would still be a need for a substantial gift from their foundation to ensure that we would not have to do anything for up to three years while we wrestle through the process of getting the property into the system and doing those things we need to do to ensure its continuation.

Mr. Woodling reported that he met with Mr. Radke on September 6 at their Malpai meeting. They discussed this issue in detail. Mr. Radke was very discouraged by the fact that he had gotten all of his paperwork in order so that the signage could take place. It did not happen. He also had a staff person ready to move into that park.

Mr. Woodling stated that he wanted to vouch for Mr. Radke. He is a very honorable person. He is highly thought of in the U.S. Fish and Wildlife organization. He has been

asked to move up into various positions of higher rank. He is from that area and loves that preserve. He does not want to move. He expects Mr. Radke to be there for many, many years. That's what he wants to do with his career. He does not want to move up in the organization. He thinks the Board will be working with Mr. Radke for many years. He's known him for at least five years and finds him to be very honorable and honest.

Mr. Woodling stated that he believes that the thing that has to happen is for Mr. Finks to put his name on that document to sign it over to U.S. Fish and Wildlife. Once that's done, then things will move forward smoothly. He congratulated Mr. Travous and Chairman Porter for working with Mr. Finks and meeting with Mr. Radke.

Mr. Travous noted that Mr. Radke is not unlike many of our smarter Rangers who are in the field and find a place they want to stay. They don't want to move to the central office. He understands that desire.

Chairman Porter noted that there is one additional advantage. By having this kind of relationship with Fish and Wildlife down there, there are places on the preserve itself that have historic importance that could be more readily accessed as part of the process for signage and for trail walking, the cemetery, etc., besides the ranch house itself. That would probably give the Board a greater flexibility to be able to do those sorts of things as well and not be strictly limited to just things on the 132 acres.

Board Action

Mr. Cordasco: I move that the Director be authorized to negotiate a proposed Joint Management Agreement for a State Park at San Bernardino Ranch in Cochise County if it becomes the property of the U.S. Fish and Wildlife agency.

Mr. Scalzo seconded the motion.

Mr. Travous noted that the devil is in the details. There are financial issues to be discussed, political issues with the legislature, etc.

Chairman Porter noted that this motion simply allows the Executive Director to negotiate and start to resolve those issues. It all has to come back to the Board for final approval at some point. He made it very clear to Mr. Finks that he felt before this Board would be able to give its approval to such an agreement, even if everything was worked out, that the Board would have to have that financial endowment under control.

Mr. Woodling stated that he was confused about the endowment from Mr. Finks. He has heard that Mr. Finks is not willing to give up any of the endowment; he will only guarantee interest money from the endowment for so many years. He asked if Mr. Finks will assign some of the endowment, which he understands to be \$4 million. He asked if Mr. Finks will be willing to give half of the endowment to the ASP Foundation for future interest off of that to run the historical part of the park. Or, is it just interest from the endowment.

Mr. Travous responded that he believed that would be negotiated.

Chairman Porter added that Mr. Finks was very open in indicating that, in fact, there had been previous discussions with others who he described as wealthy individuals. He saw no reason to give the ranch to a private individual and give a ton of money on top of it. He views ASP in a different light. He said nothing about the interest. He talked in general discussion that they have to award at least 5% per year on that endowment. He indicated they have to abide by the IRS guidelines and that the award is 5% every year, which comes to \$200,000. They are permitted to give that amount for up to five years to any single entity. He did not commit to a figure. Chairman Porter made it very clear that that would have to occur before the Board would be able to move on it. The ball is in Mr. Fink's court in that regard. The Board will have to negotiate it and see how it all works out. He does believe Mr. Finks is very enthusiastic and really wants ASP in there.

Mr. Woodling stated his confusion with the Motion Mr. Cordasco made. He asked if this Motion means that ASP get involved after the signage over to U.S. Fish and Wildlife Service or before.

Chairman Porter responded that it would be after. If the Board passes this Motion, it gives Mr. Finks a green light to go ahead and pass it on to Fish and Wildlife. However, he is going to insist that they add some clauses to his satisfaction that puts specific limitations and conditions on them, one of which would be that they have to negotiate with ASP. He will continue to be a part of the process until he is certain that the ranch will not become a glorified ranger station.

Mr. Travous asked when the next Malpai Board meeting is.

Mr. Woodling responded they will have an Executive Session at 8:30 a.m. and the open meeting usually starts around 10:00-10:30 a.m., depending on the Agenda. He can put Mr. Travous on the Agenda for that meeting to speak with them about this issue.

Chairman Porter called for a vote on the Motion on the Floor. The Motion carried unanimously.

Mr. Cordasco asked that an update on Tam O'Shanter be placed on the Agenda for the next Board meeting since it was not on this Agenda.

4. Long Range Planning

Chairman Porter noted that even though this issue is on the Agenda, he does not believe the Board is ready to discuss it. He believes the Board needs to take a look at the Minutes from the July 19 Board meeting and spend a significant amount of time at the October Board Meeting on long range planning.

Mr. Travous requested that, if people are considering wholesale changes to those Minutes, to let him know. He is about halfway through his presentation. Wholesale changes take away the foundation of his presentation. If they are administrative, he does not have a problem.

Chairman Porter responded that anything he would have would be administrative.

Mr. Cordasco requested a brief discussion on the framework of what Mr. Travous' presentation would be.

Mr. Travous responded that the framework is basically what staff anticipate they need to do and some things that he is going to ask the Board to do. It's a bold move forward given the growth we are facing in AZ, the impacts of that growth, and how AZ will not look the same 20 years from now if we and others don't step up to take responsibility for some of the resources we have.

Mr. Cordasco requested that when the Agenda is prepared for the next meeting careful consideration be given to the facilitation for that discussion so that the Board can really concentrate on it and not get hooked on one thing or overwhelmed by all of it and have deliberate discussions.

Chairman Porter noted that it is important enough that perhaps he, Mr. Travous, and Mr. Cordasco meet in Flagstaff to look at some of those methodologies.

Mr. Cordasco suggested that perhaps the Board should meet at the ASP office in Phoenix rather than at Jerome in order to have the necessary facilities available.

Mr. Travous responded that he did not think it would take much, electronically, to do that. There are a lot of people from the community interested in meeting with the Board.

Chairman Porter noted that the Board cancelled their meeting in the Verde Valley last year. It is probably necessary to meet there. He requested staff locate a facility that is adequate for the electronic equipment needed. He does not know if Jerome does that or not.

5. **FY 2007 Off-Highway Vehicle Recreation Fund Expenditures** –At the July 20, 2006 meeting of the Arizona State Parks Board, the Board requested clarification of FY 2007 Off-Highway Vehicle (OHV) Recreation Fund project expenditures. A report is provided to further clarify OHV projects.

Mr. Siegwarth had presented the Board with a new budget book prior to the meeting being called to order. He referred to the OHV budget on page 354 of that book. In the footnotes it states that there is \$860,000 set aside for projects. At the previous Board meeting the Board directed staff to not spend that money until they received more information. He asked that the Board make clear to him that what staff have provided the Board satisfies their thoughts so that he can release money for that project.

Mr. Ream reported that the Board requested further explanation of the \$860,000 that was set aside for the OHV program. That description begins on page 181 of the Board Packet. There are not a lot of specifics; some are conceptual ideas. Fortunately, the coordinator, Ms. Amy Racki, is present and willing to answer specifics as she knows them. This is a group effort to use this money to forward OHV operation in the state of AZ. He added that there are no OHV activities on any state park. It will mention the Forest Service, BLM, and the AZ State Land Dept. That is where OHV use is going on and those are the people who are mostly motivated in getting this done. However, the Parks Board is charged with coordinating it.

Mr. Cordasco noted that there may be some new legislation or something going on with that that the Game and Fish Dept. and others are working on.

Mr. Ziemann responded that the Game and Fish Commission is pursuing OHV legislation as they pursued it last year. There was a bill in the House and a bill in the Senate. ASP was involved in both of them. Staff are involved in the coordination of one that Game and Fish are proposing taking the lead on in this coming session. The Heritage Fund was passed in 1990 and did wonderful things. It still does wonderful things, but as seen in the grants package it's not anywhere near enough money. Similarly, the OHV fund was created in the 1989 and the \$2 million is insufficient. They are looking for a way to increase funds to the OHV program so they can do the things the OHV community and others want addressed. Our position has been that it has to make sense for the state agencies that are going to be administering the money as well as for the OHV enthusiasts who want to go out and ride. It's a complex issue that staff are monitoring.

Mr. Cordasco responded that restoration is an issue that should be kept in the back-of-the-mind.

Ms. Hernbrode stated that she wanted to ensure that the Board does not get off this Agenda Item that concerns how to spend this money seeing that there is new legislation being offered. She asked the Board to please tie it together so it's clear for the record

Mr. Cordasco stated it would be a great opportunity for the Board to expend this kind of money on restoration efforts associated with OHV.

Mr. Ream responded that there is some restoration mentioned in their Project 3 as part of their plan. This will not all happen in one year.

Ms. Racki reported that there are funds available for restoration and mitigation.

Mr. Scalzo noted that he is familiar with both locations mentioned – the Bradshaw Foothills (near Lake Pleasant) and the Tonto National Forest, Cave Creek Ranger District area. He would feel very comfortable with use of funds in both of these areas. County Parks, the Forest Service, and BLM have encountered numerous difficulties because these individuals need some education and training as to where to go and development of trails or tracts for them. He believes this would also help the State Land Department because they have adjoining lands. These two pilot programs both utilize community effort. He believes what could be done would be a good example for the rest of the state. He would strongly support those locations as pilots.

Chairman Porter noted that the Board is agreeable to release those funds. No motion was needed on this issue. Staff will release the money.

F. CALL TO THE PUBLIC

No public remained to address the Board.

G. TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS

- 1. The Board will discuss location for the next meeting to be held on October 19, 2006, in the Verde Valley, possibly in Jerome, Arizona.**

This item was discussed previously and staff was requested to search for a suitable location for the next Board meeting in the Verde Valley.

- 2. Board members may wish to discuss issues of concern and request staff to place specific items on future Board meeting agendas.**

Chairman Porter noted that since the follow-up to the July Planning Session will be on the Agenda, the October meeting has the potential of being a longer-than-normal meeting. He believes it will be possible to get it done in the normal time of 9:00-Noon.

Mr. Travous responded that the Board has, over the years, given the Executive Director administrative authority. There are things staff need to check with the Board on and there are things that the Board needs to pass on as they did today. He tries to keep the Board Agenda for those things that keep the agency moving forward rather than looking backwards.

Chairman Porter noted that it seems to be working. He took a poll of the Board members present and all indicated they could attend the October meeting. He noted that it's 11:15 a.m. and he's amazed that the Board has gotten through this Agenda in record time for this kind of Board meeting. That speaks extremely well of staff.

Ms. Hernbrode noted that the Board should have received a couple of short memoranda from her. She will continue to do that with updates on the Mabery issue if that is the Board's pleasure rather than scheduling Executive Sessions to do that.

Mr. Scalzo requested the Resolution Copper Co. be on the Agenda.

Mr. Travous noted that October 21 and 22 are Anza Days, which is the first official 50th Anniversary Year celebration. Items are on sale in the gift shop.

H. ADJOURNMENT

Mr. Cordasco made a motion to adjourn. Mr. Woodling seconded. Chairman Porter adjourned the meeting at 11:20 a.m.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the acting ADA Coordinator, Karen Farias, (602)364-0632; or TTY(602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

APPROVED:

William C. Porter, Chairman

Kenneth E. Travous, Executive Director